Dabur India Ltd v Nagasegi Sdn Bhd & Ors

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO D5(IP)-22–1055 OF 2006
AZAHAR MOHAMED J
8 JUNE 2010

Copyright — Infringement — Artistic works in labels of products — Whether infringement proved — Objective similarity — Casual connection — Visual comparison between plaintiff's trademarks and defendants' trademarks — Whether there were substantial objective similarities

Trade Marks — Passing off — Trade name — Similarity in trade mark, get-up and packaging — Whether there was likelihood of confusion — Whether defendants passed off products as products of plaintiff

Trade Marks — Registered trademark — Infringement of — Whether unlawfully interfered with plaintiff's trademark — Whether likely to deceive or cause confusion to public — Whether plaintiff entitled to protection under the Paris Convention or TRIPS Agreement — Whether plaintiff could restrain unauthorised use of trademark — Whether delay in commencing proceedings — Trade Marks Act 1978 s 70B

The plaintiff, a public limited company based in India, sued the defendants for the tort of passing off and copyright infringement. The plaintiff was the manufacturer of various products, inter alia, toothpaste marketed under the trademark PROMISE and MISWAK. The plaintiff had won international recognition and accolades for their toothpaste marketed under the PROMISE trademark. They had marketed and advertised PROMISE and MISWAK toothpaste on an extensive scale and had incurred substantial expenses. The entry of the toothpaste products marketed under the trademark PROMISE into Malaysia was sometime between 1988 and 1989, at the initiative of one Mr Devicharan, the plaintiff's first distributor. Subsequently, the fourth defendant requested the plaintiff to give them an exclusive distributorship of the toothpaste marketed under the trademark PROMISE and MISWAK. In the course of business with the plaintiff, the fourth defendant had acted through several entities, ie, the first to third defendants and Nina Durani Textiles. The plaintiff had also filed an application with the Intellectual Property Corporation of Malaysia ('IPCM') for the registration of trademark PROMISE and MISWAK. Till the date of this hearing, their application was still pending. In the meantime, due to the breach of the distributorship

agreement by the fourth defendant, the plaintiff had, in February 2003, terminated the fourth defendant's right for distributorship through the other defendants. The first defendant had, in 1991, submitted an application to IPCM to register the trademark PROMISE in Malaysia as its proprietor under the application No 91/02322. However, the first defendant had, through the fourth defendant, assured the plaintiff that their application to IPCM to register the trademark PROMISE would be transferred/assigned in favour to the plaintiff. In spite of this, the IPCM advertised the first defendant's application in the government gazette No 1947 Volume 50 No 2 Additional (Tambahan) No 3 dated 19 January 2006. In view of the above, the plaintiff instructed its trademark agent to commence opposition proceedings against the first defendant's application. Sometime in 2005, the plaintiff came across toothpaste offered for sale by the first defendant under a label mark INTAN PROMISE and MISZWAK which comprises substantially of the plaintiff's trademark PROMISE and MISWAK. Further, the plaintiff discovered that one Personna Cosmetics, a partnership firm in India, manufactured the toothpaste products under the trademark INTAN PROMISE and MISZWAK and exports the same to the first defendant in Malaysia for distribution or sale. In relation to the above discovery, the plaintiff commenced legal proceedings in the High Court of Judicature at Bombay, India against Personna Cosmetics, its directors, the first defendant, third defendant and the fourth defendant of the present case. The High Court of Bombay granted the plaintiff ad interim injunction against all the above mentioned parties from manufacturing, importing and distributing the sale of toothpaste bearing the label INTAN PROMISE in Malaysia pending disposal of the suit. Subsequently, the plaintiff issued a letter to the defendants in Malaysia to demand them from importing and/or distributing and/or selling toothpaste bearing the label INTAN PROMISE. Nevertheless, the defendants did not respond to the demand, hence this action by the plaintiff praying, inter alia, for an injunction to restrain the defendants from doing the following acts or any of them namely; (a) passing off and/or attempting to pass off toothpaste products not of the plaintiff's manufacture or distribution as and for the toothpaste products of the plaintiff's manufacture and distribution by the adoption and use of the trademarks 'PROMISE' and 'MISWAK' or any other trademark which is confusingly, deceptively or colourably similar thereto or in combination with 'INTAN' or any other word; (b) infringing the plaintiff's right to its trademarks of 'PROMISE' and 'MISWAK'; and (c) infringing the plaintiff's copyright subsisting in the artistic and literary works concerning the toothpaste products 'PROMISE' and 'MISWAK' and its descriptions. The court had considered five issues namely, (i) passing off; (ii) copyright infringement; (iii) ownership of the trade marks; (iv) issue of contract manufacturer; and (v) the acquiescence defence.

Held, allowing the plaintiff's claim and dismissing the defendants' counterclaim with costs:

(1) The defendants' INTAN PROMISE and MISZWAK trademark, get-up and packaging were confusingly and deceptively similar to the plaintiff's PROMISE and MISWAK trademark, get-up and packaging. The striking similarities rendered the trade and public to be confused as they were identical goods. The defendants' products were sold alongside the plaintiff's products and appeal to precisely the same segment of customers. Purchasers who recognise a product by reference to the general get-up, colour and shape of a product, would be misled. The plaintiff's trademark, get-up and packaging have become distinctive of the plaintiff's product and the use by the defendants of similar trademark, get-up and packaging are likely to deceive or cause deception or confusion to a potential buyer of toothpaste (see para 14).

(2) The copyright subsisted in the artistic works concerned the labels of the toothpaste products PROMISE and MISWAK were created by the plaintiff and/or were works created by parties who were commissioned by the plaintiff and as such, the plaintiff was the lawful proprietor of all the copyright subsisting in the said works. By virtue of Malaysia's accession to the Berne Convention for the Protection of Literary and Artistic Works 1886, works published in the state parties to the Convention may enjoy copyright protection in Malaysia even if there has been no first publication in Malaysia. For that reason, the plaintiff being an entity incorporated in India, which was a contracting party to the Berne Convention, was entitled to copyright protection in Malaysia (see paras 16–17).

(3) It was an obvious fact that the defendants had copied the words PROMISE and MISZWAK and the colour scheme, which was deceptively similar to the plaintiff's toothpaste products, which contained similar colour scheme, lay out and get-up and the words contained therein. The plaintiff had therefore sufficiently established the cause of action of infringement of the plaintiff's copyright subsisting in its artistic work against the defendants. Hence, the defendants had infringed the plaintiff's copyright subsisting in the artistic works concerning the toothpaste products PROMISE and MISWAK and their descriptions (see paras 22–23).

(4) Further, by reason of an extensive goodwill and reputation attained the trademarks PROMISE and MISWAK, the plaintiff had acquired exclusive rights to the use of the said trademarks in Malaysia and the world, to the exclusion of all other parties. In the circumstances, the defendants' use of the trademarks INTAN PROMISE and MISZWAK in Malaysia in the course of trade without the plaintiff's consent were likely to deceive or cause confusion to the public (see para 27).

(5) The plaintiff was not a contract manufacturer that was employed by the defendants to manufacture the toothpaste products in question. Their relationship was purely on seller-distributor basis (see para 32).

(6) The plaintiff had taken all the necessary steps, upon the discovery of the defendants offending toothpaste products, to protect its trademarks. Thus, there was no unreasonable or inexcusable delay in commencing the present suit (see para 34).

[Bahasa Malaysia summary

Plaintif, sebuah syarikat awam berhad berpusat di India, menyaman defendan-defendan atas tort kelirupaan dan pelanggaran hak cipta. Plaintif merupakan pengeluar beberapa produk, antara lain, ubat gigi dipasarkan atas tanda dagangan PROMISE dan MISWAK. Plaintif telah memenangi pengiktirafan dan anugerah antarabangsa untuk ubat giginya yang dipasarkan atas tanda dagangan PROMISE. Ia telah memasarkan dan mengiklankan ubat gigi PROMISE dan MISWAK secara besar-besaran dan telah mengeluarkan perbelanjaan yang besar. Kemasukan produk ubat gigi atas tanda dagangan PROMISE ke Malaysia dalam tahun 1988 dan 1989, adalah atas usaha En Devicharan, pengedar pertama plaintif. Selanjutnya, defendan keempat meminta plaintif memberinya pengedaran tunggal ubat gigi di bawah tanda dagangan PROMISE dan MISWAK. Dalam urusan perniagaan dengan plaintif, defendan keempat telah bertindak menerusi beberapa entiti, iaitu, defendan pertama hingga ketiga dan Nina Durani Textiles. Plaintif juga memfailkan permohonan dengan Perbadanan Harta Intelek Malaysia ('MYIPO') untuk pendaftaran tanda dagangan PROMISE dan MISWAK. Sehingga tarikh pendengaran ini, permohonan mereka masih tertangguh. Sementara itu, disebabkan kemungkiran perjanjian pengedaran oleh defendan keempat, pada Februari 2003, plaintif telah menamatkan hak pengedaran defendan keempat menerusi defendan-defendan yang lain. Pada tahun 1991, defendan pertama telah menyerahkan permohonan kepada MYIPO untuk mendaftarkan tanda dagangan PROMISE di Malaysia sebagai empunya di bawah permohonan No 91/02322. Walau bagaimanapun, menerusi defendan keempat, defendan pertama telah memberi jaminan kepada plaintif bahawa permohonan mereka ke MYIPO untuk mendaftarkan tanda dagangan PROMISE akan dipindahkan/diserah hak bagi pihak plaintif. Walaupun begitu, MYIPO mengiklankan permohonan defendan pertama dalam warta kerajaan No 1947 Jil 50 No 2 Tambahan No 3 bertarikh 19 Januari 2006. Berikutan itu, plaintif mengarahkan ejen tanda dagangannya memulakan prosiding menentang permohonan defendan pertama. Dalam tahun 2005, plaintif menjumpai ubat gigi dijual oleh defendan pertama di bawah jenama INTAN PROMISE dan MISZWAK yang mana secara substansialnya merupakan tanda dagangan plaintif, PROMISE dan MISWAK. Selanjutnya, plaintif mendapati bahawa Personna Cosmetics, firma perkongsian di India, mengeluarkan produk ubat gigi atas tanda dagangan INTAN PROMISE dan

MISZWAK dan mengeksportnya kepada defendan pertama di Malaysia untuk pengedaran atau jualan. Berkaitan penemuan tersebut, plaintif memulakan prosiding undang-undang di High Court of Judicature di Bombay, India terhadap Personna Cosmetics, pengarah-pengarahnya, defendan pertama, ketiga dan keempat kes ini. Mahkamah Tinggi Bombay memberikan plaintif injunksi interim terhadap kesemua pihak yang tersebut di atas daripada mengeluarkan, mengimport dan mengedar ubat gigi berjenama INTAN PROMISE di Malaysia sementara menunggu keputusan muktamad guaman ini. Seterusnya, plaintif mengeluarkan surat kepada defendan-defendan di Malaysia meminta mereka menghentikan mengimport dan/atau mengedar dan/atau menjual ubat gigi berjenama INTAN PROMISE. Namun begitu, defendan-defendan tidak menghiraukan permintaan tersebut, maka plaintif mengambil tindakan ini memohon, antara lain, suatu injunksi atau menghalang defendan-defendan melakukan perkara-perkara berikut atau mana-mana satu daripadanya, iaitu: (a) kelirupaan dan/atau cubaan untuk pengelirupaan produk ubat gigi yang bukan dikeluarkan plaintif atau mengedar seolah-olah produk ubat gigi tersebut dikeluarkan dan diedarkan oleh plaintif dengan menggunakan tanda dagangan 'PROMISE' dan 'MISWAK' atau mana-mana tanda dagangan yang lain yang mengelirukan, mengelabui atau seolah-olah sama atau dengan kombinasi 'INTAN' atau perkataan-perkataan lain; (b) melanggar hak plaintif ke atas tanda dagangannya 'PROMISE' dan 'MISWAK'; dan (c) melanggar hak cipta plaintif dalam kerja-kerja artistik dan karya seni berkaitan produk ubat gigi 'PROMISE' dan 'MISWAK' dan gambarannya. Mahkamah telah mempertimbangkan lima isu iaitu, (i) kelirupaan; (ii) pelanggaran hak cipta; (iii) pemilikan tanda dagangan; (iv) isu kontrak pengeluar; dan (v) pembelaan akuiesens.

Diputuskan, membenarkan tuntutan plaintif dan menolak tuntutan balas defendan-defendan dengan kos:

(1) Tanda dagangan defendan INTAN PROMISE dan MISZWAK, cara gaya dan pembungkusan mengelirukan dan mengelabui seakan-akan serupa dengan tanda dagangan, cara gaya dan pembungkusan PROMISE dan MISWAK plaintif. Persamaan yang jelas itu menjadikan dunia dagang dan orang awam keliru kerana kedua-duanya barangan yang kelihatan serupa. Produk defendan dijual bersama-sama produk plaintif dan menarik hati kelompok pengguna yang sama. Pembeli-pembeli yang mengenali produk berdasarkan cara gaya yang am, warna dan bentuk produk tersebut, akan terkeliru. Tanda dagangan plaintif, cara gaya dan pembungkusan adalah tersendiri kepada produk plaintif dan penggunaan tanda dagangan, cara gaya dan pembungkusan yang sama oleh defendan-defendan berkemungkinan akan mengelirukan atau menyebabkan kekeliruan kepada bakal pembeli ubat gigi (lihat perenggan 14).

(2) Hak cipta di dalam kerja-kerja artistik berkaitan jenama ubat gigi produk PROMISE dan MISWAK direka oleh plaintif dan/atau kerja-kerja yang dihasilkan pihak-pihak yang diupah plaintif dan oleh itu, plaintif merupakan tuan punya kesemua hak cipta dalam kerja-kerja tersebut. Dengan penerimaan *Berne Convention for the Protection of Literary and Artistic Works 1886* oleh Malaysia, hasil-hasil yang diterbitkan dalam negara-negara yang menerima konvensyen tersebut akan menerima perlindungan hak cipta di Malaysia walaupun tiada penerbitan pertama di Malaysia. Atas alasan tersebut, plaintif sebagai satu entiti yang ditubuhkan di India, yang merupakan pihak yang menerima konvensyen tersebut, berhak ke atas perlindungan hak cipta di Malaysia (lihat perenggan 16–17).

(3) Adalah fakta yang jelas bahawa defendan-defendan meniru perkataan-perkataan PROMISE dan MISZWAK dan juga skema warna, yang mana secara mengelirukan serupa dengan produk ubat gigi plaintif, yang mengandungi skema warna, reka letak dan cara gaya dan perkataan-perkataan yang sama. Oleh itu, plaintif telah membuktikan secukupnya kausa tindakan pelanggaran hak ciptanya di dalam kerja-kerja artistik terhadap defendan-defendan. Oleh itu, defendan-defendan telah melanggar hak cipta plaintif di dalam kerja-kerja artistik berkenaan produk ubat gigi PROMISE dan MISWAK dan gambarannya (lihat perenggan 22–23).

(4) Selanjutnya, atas dasar nama baik dan reputasi yang telah tercapai bagi tanda dagangan PROMISE dan MISWAK, plaintif telah memperoleh hak-hak eksklusif penggunaan tanda dagangan tersebut di Malaysia dan juga di seluruh dunia, sehingga menghalang pihak-pihak lain menggunakannya. Dalam keadaan ini, penggunaan tanda dagangan INTAN PROMISE dan MISZWAK oleh defendan-defendan di Malaysia dalam dunia dagangan tanpa persetujuan plaintif berkemungkinan akan mengelirukan atau menyebabkan kekeliruan kepada umum (lihat perenggan).

(5) Plaintif bukanlah pengeluar kontrak yang diupah defendan-defendan untuk mengeluarkan ubat gigi yang menjadi pertikaian ini. Hubungan mereka hanyalah atas dasar penjual-pengedar (lihat perenggan 27).

(6) Plaintif telah mengambil kesemua langkah-langkah yang patut, setelah mendapati defendan-defendan menyalahgunakan produk ubat gigi tersebut, untuk melindungi tanda dagangannya. Oleh itu, tiada kelewatan yang tidak wajar atau tidak dapat diterima dalam memulakan guaman ini (lihat perenggan 32).]

Notes

For cases on infringement of, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 1977–2018.

For cases on passing off generally, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2050–2123.

Cases referred to

Charles Walker & Co Ltd v The British Picker Co Ltd [1961] RPC 57, SC (refd)
Hai-O Enterprise Bhd v Nguang Chan [1992] 4 CLJ 1985, HC (refd)
Hexagon Tower Sdn Bhd v Polydamic Holdings Sdn Bhd & 3 Ors [2005] 4 AMR 384, HC (refd)
McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation [2009] 3 MLJ 774; [2009] 3 CLJ 540, CA (refd)
Meidi (M) Sdn Bhd v Meidi-Ya Co Ltd, Japan & Anor [2008] 6 MLJ 433; [2008] 1 CLJ 46, CA (refd)
Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd and another action [1993] 1 MLJ 225, HC (refd)
Tavener Rutledge Ltd v Specters Ltd [1959] RPC 355, CA (refd)

Legislation referred to

Copyright (Application to Other Countries) Regulations 1990
Copyright Act 1987
Trade Marks Act 1976 s 70B, B(2)
Trade Marks Regulations 1997

Surendran Subramaniam (C Soosay Nathan with him) (Christie Soosay Nathan & Associates) for the plaintiff.
Ng Kim Poh (Ee Chai Hak and Ee Tin Gin with him) (EE & Associates) for the defendants.

Azahar Mohamed J:

[1] Dabur India Ltd ('the plaintiff') is a public limited company based in India. The plaintiff's causes of action against the defendants are for the tort of passing off and copyright infringement. The claim by the plaintiff is also based under s 70B of the Trade Marks Act 1976 ('the Act'). Section 70B of the Act, which came into force on 1 August 2001, grants protection to proprietors of well known trademarks against the registration and use of well known trademarks.

[2] The plaintiff is a manufacturer of various products. This include, among other things, toothpaste marketed under the trademark PROMISE. The plaintiff has won international recognition and accolades for their toothpaste marketed under the trademark PROMISE. These include, among other things, the certificates/letters of recommendation given by an institute based in Paris, France known as La Monde Selection in the years 1981 and 1982 and accreditation from British Dental Health Foundation on 25 September 1994.

The plaintiff has marketed and advertised PROMISE toothpaste on an extensive scale since its introduction. Substantial expenses were incurred in its advertising and promotion. The plaintiff also manufactures and markets toothpaste under the trademark MISWAK. The plaintiff has also marketed and advertised MISWAK on an extensive scale since its introduction. Substantial expenses were incurred in its advertising and promotion.

[3] Now, sometime between 1988 and 1989, one Mr Devicharan, the plaintiff's first distributor, initiated the entry of the toothpaste products marketed under the trademark PROMISE into Malaysia. The plaintiff was paid USD1,800 by Mr Devicharan as a consideration to import from India the toothpaste to be marketed under PROMISE via Singapore for the purpose of distribution and sale. Subsequently, on 9 February 1989, one Mr Dawood Abbasi ('the fourth defendant') has approached and requested the plaintiff to give him an exclusive distributorship of the toothpaste marketed under the trademark PROMISE in the South East Asian region. In the course of business with the plaintiff, the fourth defendant had acted through several entities, ie the first to the third defendants and Tekstil Nina Durani, which corresponded with the plaintiff over the years in respect of the distributorship of PROMISE. Sometime in 1997, the plaintiff introduced the toothpaste product under the trademark MISWAK into the Malaysian market by granting the fourth defendant its distributorship through the first to the third defendants and Tekstil Nina Durani.

[4] At this point, it would be appropriate to take note that on 6 July 1995, the plaintiff filed an application with the Intellectual Property Corporation of Malaysia ('IPCM') for the registration of trademark PROMISE under the Act. Their application has been allocated as the Trademark Application No 95/06641 and the application is currently pending. On 19 December 2002, the plaintiff also filed an application with the IPCM for the registration of MISWAK. The application is now pending. The plaintiff has also marketed and advertised MISWAK on an extensive scale since its introduction.

[5] The plaintiff terminated the fourth defendant's right for distributorship through the other defendants on 26 February 2003 due to the breach of the distributorship agreement by the fourth defendant. The first defendant had submitted an application to IPCM to register the trademark PROMISE in Malaysia as its proprietor under the application NO 91/02322 on 15 March 1991.

[6] Upon realising the first defendant's application to register the trademark PROMISE, the plaintiff had asked the first defendant and the fourth defendant to either assign or withdraw the application in order for the plaintiff to proceed with its application.

[7] In the meantime, the business between the defendants and the plaintiff continued as usual, as the first defendant had through the fourth defendant, assured the plaintiff that their application to IPCM to register the trademark PROMISE would be transferred/assigned in favour to the plaintiff. In spite of this, the IPCM advertised the first defendant's application in Warta Kerajaan No 1947 Jilid 50 No 2 Tambahan No 3 dated 19 January 2006. In view of that, the plaintiff instructed its trademark agent to commence opposition proceedings against the first defendant's application.

[8] Sometime in 2005, the plaintiff's marketing manager, one Mr Maneck Katpitia while in Malaysia came across toothpaste offered for sale by the first defendant under a label mark INTAN PROMISE. He purchased the same. According to the plaintiff, the said toothpaste sold by the first defendant under the label mark INTAN PROMISE comprises substantially of the plaintiff's trademark PROMISE and consists significantly of the get-up of the plaintiff's toothpaste products under the trademark PROMISE. Mr Maneck Katpitia also came across a toothpaste product sold by the first defendant under the label mark MISZWAK. It is the case of the plaintiff that the toothpaste product sold by the first defendant under the label mark MISZWAK also comprises substantially of the plaintiff's trademark 'MISWAK' and consists significantly of the get-up of the plaintiff's toothpaste product under the trademark 'MISWAK'. At no time did the plaintiff consent to the use by the first defendant of the trademarks 'PROMISE' and 'MISWAK' in the course of business.

[9] Subsequently, the plaintiff learnt that one Personna Cosmetics, a partnership firm in India, manufactured the toothpaste products under the trademark INTAN PROMISE and MISZWAK and exports the same to the first defendant in Malaysia for distribution or sale. This is when the plaintiff commenced legal proceedings against Personna Cosmetics, its directors, the first defendant, the third defendant and the fourth defendant of the present case in the High Court of Judicature at Bombay, vide Petition No 2731 of 2005. The High Court of Bombay, India granted the plaintiff ad interim injunction against all the above mentioned parties on 7 October 2005 from manufacturing, importing and distributing the sale of toothpaste bearing the label INTAN PROMISE in Malaysia pending disposal of the suit.

[10] After that, the plaintiff had through their solicitors caused a letter dated 20 January 2006 issued to the defendants in Malaysia to demand them from importing and/or distributing and/or selling toothpaste bearing the label INTAN PROMISE. Nevertheless, the defendants did not respond to the demand. Not surprisingly, the plaintiff filed this action on 17 July 2006. The plaintiff prays, among others, for the following orders from this court:

(a) An injunction to restrain the defendants, whether by themselves, it's directors, officers, servants or agents or any of them or otherwise howsoever from doing the following acts or any of them, that is to say:

(i) Passing off and/or attempting to pass off and/or causing, enabling, procuring or assisting others to pass off whether by manufacturing, importing, distributing, selling or offering for sale or for any other purpose of trade, toothpaste products not of the plaintiffs manufacture or distribution as and for the toothpaste products of the plaintiffs manufacture and distribution by the adoption and use of the trademarks 'PROMISE' and 'MISWAK' or any other trademark which is confusingly, deceptively or colourably similar thereto or in combination with 'Intan' or any other word;

(ii) Infringing the plaintiffs right to its well known trademarks of 'PROMISE' and 'MISWAK' as provided for under s 70B of the Trade Marks Act 1976;

(iii) Infringing the plaintiffs copyright subsisting in the artistic and literary works concerning the toothpaste products 'PROMISE' and 'MISWAK' and its descriptions.

(b) An order for the obliteration, from all or any goods as are in the defendants' possession, power, custody and control which bear the trademarks 'PROMISE' and 'MISWAK' or any other trademark which is confusingly, deceptively or colourably similar thereto or in combination with 'Intan' or any other word;

(c) An order for delivery up of all relevant documents, including import documents, bills, invoices, contracts, customer records, delivery orders, prosecution orders and other documents relating to the manufacture, importation, distribution, sale or offer for sale by the defendants of products which bear the trademark 'PROMISE' and 'MISWAK' or any other trademark which is confusingly, deceptively or colourably similar thereto or in combination with any other words are in the possession, power, custody or control of the defendants;

(d) An order for delivery up for destruction on oath of all bottles, cartons or boxes of toothpaste products as are in the defendants' possession, power, custody or control which bear the trademarks 'PROMISE' and 'MISWAK' or any other trademark which is confusingly, deceptively or colourably similar thereto or in combination with any other word and verification upon oath that the defendants do not have in its possession, power, custody or control any such items;

(e) An order directing that the defendants, its directors, officers, servants or agents do forthwith destroy or cause to be destroyed all packaging, printed matter, stationery, letter heads, signboards, business cards and all

advertisement and promotional materials which are in the possession, power, custody or control of the defendants, its directors, officers, servants or agents which bear the trademark 'PROMISE' and 'MISWAK' or any other trademark which is confusingly, deceptively or colourably similar thereto or in combination with any other word and verification on oath that the defendants do not have any such articles in its possession, power, custody or control;

(f) An inquiry as to damages or at the plaintiff's option, an account of profits of the defendants.

[11] Against such a background, there are five issues for consideration. I shall deal with each of them in turn.

PASSING OFF

[12] The elements of passing off are: (i) goodwill and reputation of the plaintiff; (ii) misrepresentation by the defendants in the course of trade; and (iii) damage or the likelihood of damage will arise as a result (see *Meidi (M) Sdn Bhd v Meidi-Ya Co Ltd, Japan & Anor* [2008] 6 MLJ 433; [2008] 1 CLJ 46; and *McCurry Restaurant (KL) Sdn Bhd v McDonalds Corporation* [2009] 3 MLJ 774; [2009] 3 CLJ 540.

[13] Now, it cannot be disputed that the first party, which marketed the toothpaste products under the trademarks PROMISE and MISWAK was the plaintiff through Mr Devicharan. Thus, since the plaintiff was the initial user of the trademarks PROMISE and MISWAK, based on the *Meidi (M) Sdn Bhd v Meidi-Ya Co Ltd*, the plaintiff is in fact the rightful owner of the PROMISE and MISWAK trademarks.

[14] In addressing this issue, I have had the benefit of seeing and examining the plaintiff's PROMISE and MISWAK trademark, get-up and packaging and the defendants' INTAN PROMISE and MISZWAK trademark, get-up and packaging. In comparison and taken as a whole and based on my observation, it is my finding that the defendant's INTAN PROMISE and MISZWAK trademark, get-up and packaging are confusingly and deceptively similar to the plaintiff's PROMISE and MISWAK trademark, get-up and packaging. In my view, the striking similarities render the trade and public to be confused as they are identical goods. More so, as they are offered for sale to consumers side either by side or at the same section of supermarkets and other retail outlets. The significance lies in that the likelihood of confusion between the two products is extremely high. The defendants' products are sold alongside the plaintiff's products and appeal to precisely the same segment of customers; purchasers who recognise a product by reference to the general get-up, colour and shape of

a product, will be misled. In my view, the plaintiff's trademark, get-up and packaging have become distinctive of the plaintiff's product and the use by the defendants of similar trademark, get-up and packaging are likely to deceive or cause deception or confusion to a potential buyer of toothpaste. In this case, where the product of the plaintiff and defendants are in direct competition with one another, the court will infer likelihood of damage to the plaintiff's goodwill through the loss of sale. Therefore, I find that the defendants have passed off their products as the products of the plaintiff.

COPYRIGHT INFRINGEMENT

[15] The Copyright Act 1987 ('the Copyright Act') grants a person and/or an entity the exclusive right to do, and to authorise others to do, in Malaysia, certain acts in relation to artistic works. In the cases of *Tavener Rutledge Ltd v Specters Ltd* [1959] RPC 355 and *Charles Walker & Co Ltd v The British Picker Co Ltd* [1961] RPC 57, the courts have held that labels of products are artistic works, which are capable of forming the subject matter of copyright.

[16] In the present action, the copyright subsisting in the artistic works concerns the labels of the toothpaste products PROMISE and MISWAK. These works were created by the plaintiff and/or are works created by parties who were commissioned by the plaintiff and as such, the plaintiff is the lawful proprietor of all the copyright subsisting in the said works.

[17] By virtue of Malaysia's accession to the Berne Convention for the Protection of Literary and Artistic Works 1886 ('Berne Convention'), works published in the state parties to the Convention may enjoy copyright protection in Malaysia even if there has been no first publication in Malaysia. The Copyright (Application to Other Countries) Regulations 1990 came into force on 1 October 1990 and gave effect to the provisions of the Berne Convention. The case of *Peko Wallsend Operations Ltd & Ors v Linatex Process Rubber Bhd and another action* [1993] 1 MLJ 225 is the authority, which recognised the rights arising under the Copyright (Application to Other Countries) Regulations 1990. For that reason, the plaintiff being an entity incorporated in India, which is a contracting party to the Berne Convention, is entitled to copyright protection in Malaysia.

[18] In *Hexagon Tower Sdn Bhd v Polydamic Holdings Sdn Bhd & 3 Ors* [2005] 4 AMR 384, it was held as follows:

> In order to determine whether an infringement of copyright has occurred, the words of Diplock LJ in *Francis Day & Hunter Ltd & Anor v Bron & Anor* [1963] Ch 587 are useful. His Lordship stated:

> It is well established that to constitute infringement of copyright in any literary, dramatic or musical work there must be present two elements: *First*, there must be sufficient *objective similarity* between the infringing work and the copyright work, or a substantial part thereof, for the former to be properly described, not necessarily as identical with, but as a reproduction or adaptation of the latter, *secondly*, the copyright work must be the source from which the infringing work is derived … there must be a *casual connection* between the copyright work and the infringing work.

[19] In applying the test adopted in the above authority, my findings are as follows:

Objective similarity

[20] Taken as a whole, a visual examination of the plaintiff's packaging of the plaintiff's toothpaste products sold under the trademarks 'PROMISE' and 'MISWAK' with the packaging of the first defendants' toothpaste products sold under the marks 'INTAN PROMISE' and MISZWAK in Malaysia shows an uncanny resemblance wherein the said packaging look almost identical.

Casual connection

[21] This fact is established by virtue of the fact that the defendants were previously the distributors of the plaintiff's toothpaste products sold under the trademarks 'PROMISE' and 'MISWAK' in Malaysia.

[22] In the present case, the defendants were always aware of the plaintiff's toothpaste products sold under the plaintiff's trademarks 'PROMISE' and 'MISWAK' as they had purchased the goods as a distributor from the plaintiff. It is an obvious fact that the defendants have copied the words PROMISE and MISZWAK and the colour scheme, which is deceptively similar to the plaintiff's toothpaste products, which contains a similar colour scheme, lay out and get-up and the words contained therein.

[23] The plaintiff has therefore sufficiently established the cause of action of infringement of the plaintiff's copyright subsisting in its artistic work against the defendants. In my judgment, the defendants have infringed the plaintiff's copyright subsisting in the artistic works concerning the toothpaste products PROMISE and MISWAK and their descriptions.

Section 70B(2) of the Act — the protection of well-known trademarks

[24] The protection of well-known trademarks is provided under s 70B of the Act, which came into force on 1 August 2001. This section reads:

A ... (1) The proprietor of a trademark which is entitled to protection under the Paris Convention or the TRIPS Agreement as a well-known trademark is entitled to restrain by injunction the use in Malaysia in the course of trade and without the proprietor's consent of the trademark which or the essential part of which, is identical with or nearly resembles the proprietor's mark, in respect of the same goods or services where the use is likely to deceive or cause confusion …

B

[25] As stated by the author of *Trade Marks Law in Malaysia*, Dr Ida Madieha bt Abdul Ghani Azmi, s 70B allows the right to exist regardless whether the mark is actually used or registered as the exclusive protection is C given whether or not the proprietor carries out the business or has any goodwill in Malaysia. The Trade Marks Regulations 1997 was amended to incorporate the following provision to support the enforcement of s 70B by the owners of well-known trademarks:

D 13B Criteria of welt-known mark:

In determining whether a mark is well known or not, the following criteria may be taken into account:

(a) the degree of knowledge or recognition of the mark in the relevant sector of the E public;

(b) the duration, extent and geographical area of any use of the mark;

(c) the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods or services to which the mark applies;

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(d) the duration and geographical area of any registrations, or any application for registration of the mark to the extent that they reflect the use or recognition of the said mark; and

(e) the record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well-known by competent G authorities;

(f) The value associated with the mark.

[26] In Famous and Well Known Marks an International Analysis, Frederick H W Mostert states that the best evidence to show such recognition is by unsolicited request from potential licensees, manufacturers, distributors, importers, retailers and consumers or also by third parties. In this regard, the fourth defendant wrote to the plaintiff for the first time by a letter dated 9 February 1989 with the letterhead of Nina Durani Textile requesting the I plaintiff for a distributorship. There was also another company which wrote to the plaintiff by letter dated 25 July 1992 which requested to be authorised as the plaintiff's sole franchisee in Malaysia. All the above shows the unsolicited request from potential distributors for the goods of the plaintiff. The figure of sales of the plaintiff's toothpaste marketed under the marks PROMISE and

MISWAK had been set out in evidence during the trial. The proof of the plaintiff's participation in a trade fair as early as 1988 had been proven and verified by the defendants. Evidence have been adduced which shows the plaintiff's registrations and applications for the plaintiff's mark PROMISE and MISWAK in numerous countries which reflect the use or recognition of the said marks. The plaintiff's trademarks PROMISE and MISWAK have been registered in the plaintiff's name in numerous countries such as China, United Kingdom, and the Russian Federation. The plaintiff had enforced its intellectual property rights against infringers in countries of India, Ukraine, Russia, United Kingdom, Morocco and China. The commercial value of the plaintiff's trademarks has been firmly established.

[27] In my judgment, by reason of the extensive goodwill and reputation attained by both the trademarks PROMISE and MISWAK, the plaintiff has acquired exclusive rights to the use of the said trademarks in Malaysia and the world to the exclusion of all other parties and the plaintiff can claim to the trademarks 'PROMISE' and 'MISWAK' being well-known trademarks. Given this, it is my findings the defendants' use of the trademarks INTAN PROMISE and MISZWAK in Malaysia in the course of trade without the plaintiff's consent as the proprietor of PROMISE and MISWAK are likely to deceive or cause confusion to the public. In this context, the defendants are not entitled to rely on the s 70B(2) of the Act, because there is no bona fide use of the trademarks in dispute by the defendants.

[28] In my judgment, the defendants have infringed the plaintiff's right to its well-known trademarks of PROMISE and MISWAK as provided for under s 70B of the Act. As a proprietor of the well-known trademarks which is entitled to protection under the Paris Convention or the TRIPS agreement, the plaintiff can restrain any unauthorised use of a trademark which, or the essential part of which is identical or confusingly similar to the well-known trademark.

OWNERSHIP OF THE TRADEMARKS AND THE ISSUE OF CONTRACT MANUFACTURER

[29] It is the contention of the defendants that the plaintiff was the defendants' contract manufacturer. According to the defendants, they are the party who hired the plaintiff to manufacture the toothpaste. In this, they are saying that they are the owner of the trademarks PROMISE and MISWAK.

[30] In the case of *Hai-O Enterprise v Nguang Chan* [1992] 4 CLJ 1985, the court held that:

(a) A foreign manufacturer who places his trademark upon his product which he intends to export for sale into Malaysia is the proprietor of the mark;

(b) An importer of such goods, notwithstanding the acquisition of a commercial reputation therefore, does not acquire any proprietary rights over a manufacturer's mark merely by being a conduit from manufacturer to ultimate consumer;

(c) Such an importer who registers himself as the proprietor of the manufacturer's mark, even where he does so with the knowledge of the manufacturer, must be treated as having been wrongly registered;

(d) To become a proprietor of a trademark, so as to be regarded as a true importer's mark, the importer must activate a qualitative change in the mark so as to dissociate any connotation that mark may have with the manufacturer, so that in the minds of the Malaysian public it is associated exclusively with the importer alone; and

(e) the registration, even if with the consent or knowledge of the foreign manufacturer, by a local importer of himself as proprietor of the foreign manufacturer's mark where his role is that of an importer simpliciter, will be regarded as having been obtained by fraud on the registrar and the Malaysian public.

[31] As stated earlier, the plaintiff has won international recognition and accolades for their toothpaste marketed under the trademark PROMISE. These included, among other things, the certificates/letters of recommendation given by an institute based in Paris, France known as La Monde Selection in the years 1981 and 1982 and accreditation from British Dental Health Foundation on 25 September 1994. On the other hand, the first defendant was only incorporated in Malaysia on 18 March 1990. The plaintiff's toothpaste bearing the trademark PROMISE was first distributed by one Mr Devicharan sometime between 1988 and 1989 for a consideration of USD1,800 paid to the plaintiff. All these show that the plaintiff is the original proprietor for the trademark PROMISE.

[32] In my judgment, the plaintiff was not a contract manufacturer that was employed by the defendants to manufacture the toothpaste products in question. Their relationship was purely on seller-distributor basis.

THE ACQUIESCENCE DEFENCE

[33] The defendants contend that because of the delay in commencing this present suit, the plaintiff has acquiesced to the defendants' unlawful acts resulting in the defendants continuing to expend money in respect of their unlawful acts.

[34] Now, upon the discovery of the defendants offending toothpaste products bearing the marks of INTAN PROMISE and MISZWAK, the plaintiff had taken steps to protect its trademark. The plaintiff commenced legal proceedings against the defendants in India and on 14 October 2005, the plaintiff obtained an ad interim injunction against the manufacturer, Personna Cosmetics, of the toothpaste bearing the defendants' trademarks INTAN PROMISE and MISZWAK. In addition, the plaintiff instructed their solicitor to cause to issue the notice to cease and desist to the defendants on 20 January 2006. Subsequently, the plaintiff instructed their trademark agent, Messrs Suren & Ragu to commence opposition proceedings against the first defendant's trademark application for the mark INTAN PROMISE at IPCM on 18 March 2006; and finally the plaintiff commenced the present suit against the defendants on 17 July 2006. In my view, there is no unreasonable or inexcusable delay in commencing the present suit.

CONCLUSION

[35] For all these reasons, I allow the plaintiff's claim against the defendants. I grant an order in terms of encl 1 (the plaintiff's statement of claim) prayers (a) (i) (ii) (iii), (b), (c), (d), (e), (f), (g) and (h). The defendants' counterclaim is dismissed with costs.

Plaintiff's claim allowed. Defendant's counterclaim dismissed with costs.

Reported by Ashgar Ali Ali Mohamed